

Message Text

UNCLASSIFIED

PAGE 01 REYKJA 00858 201752Z

64

ACTION XMB-07

INFO OCT-01 EUR-25 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 INT-08 RSR-01 /108 W

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R 201730Z JUL 73

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC 3813

UNCLAS REYKJAVIK 0858

DEPT PASS EXIMBANK FOR DON BOSTWICK

E.O. 11652: N/A

TAGS: BEXP EIND IC

SUBJECT: UNION CARBIDE AND GOI SIGN LETTER OF INTENT

REF: REYKJAVIK 663 AND PREVIOUS

1. GOI AND UNION CARBIDE TODAY SIGNED LETTER OF INTENT TO FORM JOINT VENTURE TO BUILD AND OPERATE A FERRO-ALLOY PLANT WORTH APPROXIMATELY US\$30 MILLION. PLANT WILL BE OWNED 65 PERCENT BY GOI AND 35 PERCENT BY CARBIDE. PLANT WILL BE LOCATED NEAR AKRANES, TWO HOUR DRIVE NORTH OF REYKJAVIK, AND IS SCHEDULED TO COMMENCE PRODUCTION IN 1976 USING POWER FROM PROPOSED SIGALDA HYDROELECTRIC FACILITY. FINAL APPROVAL FROM ALTHING (PARLIAMENT) AND CARBIDE BOARD IS EXPECTED BY NOVEMBER 1973.

2. CARBIDE REP HAS PLANS TO CONTACT BOSTWICK OF EXIM DURING WEEK OF JULY 23 TO DISCUSS PROPOSAL. PROJECT REPRESENTS EXCELLENT OPPORTUNITY FOR U.S. EXPORTS, AS CARBIDE FAVORS U.S. SOURCES FOR NECESSARY EQUIPMENT. CARBIDE HAS ALSO EXPRESSED INTEREST IN USING BLOUNT BROTHERS AS CONTRACTOR BUT THIS AT PRESENT REMAINS UNCERTAIN. FIRM WILL BE STRUCTURED WITH PERHAPS \$10-\$12 MILLION IN EQUITY WITH INTENTION THAT IT BE ABLE TO BORROW IN ITS OWN RIGHT WITHOUT GOI GUARANTEE.

IRVING

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
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Draft Date: 20 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973REYKJA00858
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: REYKJAVIK
Handling Restrictions: n/a
Image Path:
ISecure: 1
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Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 73 REYKJAVIK 663 AND PREVIOUS
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Review Authority: worrelsw
Review Comment: n/a
Review Content Flags:
Review Date: 18 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18-Dec-2001 by phillir0>; APPROVED <12 MAR 2002 by worrelsw>
Review Markings:

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30 JUN 2005

Review Media Identifier:
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